

Folkestone & Hythe District Council

Housing Delivery Action Plan 2021

July 2021



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1. Introduction

- 1.1 Folkestone & Hythe District Council (FHDC) has prepared a Housing Delivery Action Plan in response to its Housing Delivery Test measurement for 2017/18 - 2019/20, as calculated by the Ministry for Housing Communities & Local Government (MHCLG).
- 1.2 The Housing Delivery Action Plan (HDAP) sits within the context of the Government's agenda to boost the supply of housing nationally. The requirement to produce an Action Plan arose out of reforms to the National Planning Policy Framework (NPPF) in 2018. The reforms sought to force Local Planning Authorities (LPAs) to identify and address potential barriers to housing delivery in those areas where it was found to have dropped below 95% across a three-year period.
- 1.3 In 2019/20, the FHDC fell below this threshold with a score of 91% against its housing requirement. Consequently, the council has had six months to prepare and publish a Housing Delivery Action Plan on its analysis of the reasons why the rates of housebuilding within its administrative area have not met the levels of identified housing needs set by Government; and set out actions to address these issues, with the aim of boosting the delivery of housing in the future.
- 1.4 The FHDC Housing Delivery Action Plan includes:
 - A policy background to housing delivery and the Housing Delivery Test;
 - An overview of Folkestone & Hythe's housing requirement;
 - An explanation of the Housing Delivery Test and how Folkestone & Hythe has performed;
 - An overview of the local context and housing market;
 - An analysis of recent housing delivery and projected future housing supply;
 - An assessment of the main barriers and constraints to housing delivery; and
 - Potential actions which the council is undertaking to help improve delivery in the future.
- 1.5 The HDAP is intended to be a practical document aimed at increasing housing delivery which draws on local research and evidence. The actions identified in the Action Plan link to several other key council strategies and documents, in particular the Folkestone & Hythe Corporate Plan; the Core Strategy Review and the Places and Policies Local Plans; and the Housing Strategy (2018-2023).

1.6 LPAs are increasingly being challenged to be more proactive in increasing the speed and quantity of housing supply to meet the identified housing needs of their local area. This forms part of a complex picture of interdependent issues relating to the supply and delivery of homes that will be explored as part of this Action Plan alongside issues outside the council's direct control.

2. Policy Background to the Housing

Delivery Test

- 2.1 Section 2 of the HDAP aims to set out the legislative and planning policy context to the Housing Delivery Test and Action Plan.

Planning White Paper

- 2.2 In 2015, the Government declared a national housing crisis. In response, it published the Housing White Paper (HWP) 'Fixing Our Broken Housing Market' in February 2017, which set out the Government's strategy to reform the housing market and increase the supply of new homes. The proposed measures covered planning for the right homes in the right places, building homes faster; and diversifying the housing market.
- 2.3 Notably, it also proposed to hold Local Authorities to account for the number of new homes delivered through the introduction of the Housing Delivery Test (HDT). The test would determine whether the number of homes being built over a set period was below the identified requirement for that area; and would then act as a mechanism for establishing the reasons why an under-delivery had occurred.

Planning for the Right Homes in the Right Places

- 2.4 Building on the founding principles of the HWP, the Government published the 'Planning for the Right Homes in the Right Places: Consultation Proposals' in September 2017. This set out detailed proposals to comprehensively reform the planning system in order to increase the supply of new homes.
- 2.5 Critically, it signalled a departure from the national planning policy of the time, which required local planning authorities to prepare a Strategic Housing Market Assessment (SHMA) to identify their housing needs; replacing it with a new standardised formula. The 'Standard Method' would identify the minimum number of homes to be planned for and be based on district-level data from the Office for National Statistics (ONS) on projected household growth and housing affordability.

National Planning Policy Framework

- 2.6 The Government reinforced its objective to significantly boost the supply of new homes by publishing a revised National Planning Policy Framework (NPPF, July 2018), the Housing Delivery Test Measurement Rule Book (July 2018); and updated Planning Practice Guidance (PPG, February 2019).
- 2.7 The requirement to undertake an assessment of local housing need using a standard method when preparing a Local Plan was enshrined in the NPPF, Paragraph 60; with additional Guidance set out in Planning Practice Guidance: Housing and Economic Assessments¹. The Standard Method was to be used to calculate the number of homes needed when preparing Local Plans or where a Local Plan was considered to be out-of-date (i.e. more than five years old).

To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflect current and future demographic trends and market signals

NPPF, Paragraph 60

- 2.8 Further still, to hold local authorities more accountable for the delivery of housing in their area, reference to the Housing Delivery Test was also included in national planning policy. This introduced the means for the Government to monitor housing delivery over a three-year rolling period and identify where delivery falls below 95% of the housing requirement and thereby triggering the need to prepare an action plan as per NPPF paragraph 75. Further guidance on the Housing Delivery Test and the preparation of Action Plans is provided in the Planning Practice Guidance: Housing Supply and Delivery².

¹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

² <https://www.gov.uk/guidance/housing-supply-and-delivery#housing-delivery-test>

To maintain the supply of housing, local planning authorities should monitor progress in building out sites which have permission. Where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authority's housing requirement over the previous three years, the authority should prepare an action plan in line with national planning guidance, to assess the causes of under-delivery and identify actions to increase delivery in future years.

NPPF, Paragraph 75

- 2.9 The methodology for calculating the Housing Delivery Test is set out in the Housing Delivery Test Measurement Rule Book³; and is explained in more detail in Section 4 of this Action Plan.

³ <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

3. Housing Need and Requirement

3.1 Section 3 of the HDAP provides a chronological overview of Folkestone & Hythe's Housing Requirement; and how it has changed over time.

What is the housing need for Folkestone & Hythe District?

3.2 Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for and it should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this, such as site allocations.

Core Strategy (2013) and Places and Policies Local Plan

3.3 The Shepway Core Strategy Local Plan (CSLP) was adopted in 2013 and sets out the spatial strategy for the district for the plan period to 2031. The Core Strategy established the overarching development requirements and strategic policies for the district as well as strategic allocations and broad locations for development.

3.4 The long-term objective of the Core Strategy was to deliver a minimum of 350 dwellings per annum on average until 2030/31. However, in an effort to encourage housing delivery, provide an impetus to the transformation of the district's economy, and to deliver key infrastructure, a higher target was set to provide approximately 8,000 dwellings by the end of 2025/26, equivalent to 400 dwellings per annum.

3.5 The Places and Policies Local Plan (PPLP) was prepared in line with the Core Strategy housing figures and allocates land for approximately 1,600 houses across many small and medium sized sites following the framework set by the CSLP.

Core Strategy Review

3.6 The NPPF (Paragraph 33) states that LPAs should review their plans at least once every five years taking account of any changes in national policy or changing circumstances affecting the area; including the local housing need figure.

Strategic Housing Market Assessment

- 3.7 F&HDC commenced its review of the CSLP in 2016 which extended the plan period to 2036/37.
- 3.8 At the time, LPAs applied their own methodology for calculating housing need based on general principles set out in the PPG – often through the preparation of a Strategic Housing Market Assessments (SHMAs). In introducing its reforms, the Government argued that this system resulted in significant inconsistency across the country and even between neighbouring areas. The SHMA used an assortment of demographic, economic and housing market area data to estimate future housing needs. It also carries out a detailed analysis of the available housing stock and the requirements for affordable housing; as well as different types and tenures of housing.
- 3.9 Folkestone & Hythe’s SHMA (2017) informed the early preparation of the CSR and recommended planning for an Objectively Assessed Need (OAN) of 633 new dwellings per year across the district.

Standard Methodology

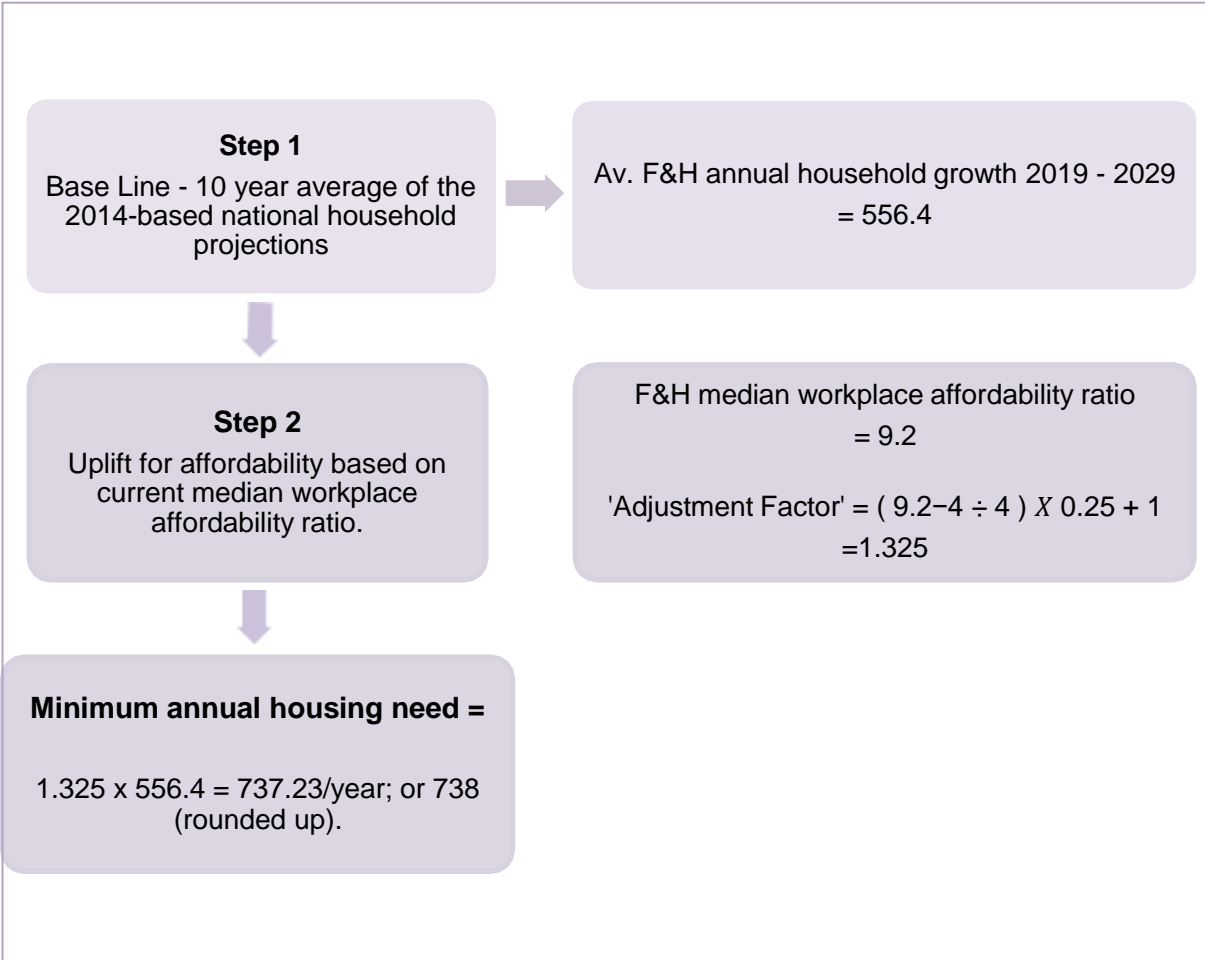
- 3.10 However, the release of the revised version of the NPPF in 2018, which introduced the standardised formula by which LPAs calculate their total housing requirements, meant that it was necessary for the council to re-calculate its housing need using the Standard Method.
- 3.11 The Standard Methodology (Figure 3.1) for identifying the minimum annual housing need uses district-level household projection figures that are adjusted using the local affordability ratio (both published by the ONS); this, the Government argues, will ensure LPAs and the communities they serve have a consistent starting point when understanding how many homes are needed in their local area.

**Minimum annual housing need =
(adjustment factor) x annual projected household growth**

3.12 Initially, the Standard Methodology proposals used the ONS 2016-based household projections, which yielded a minimum housing need of 673 dwellings per annum for the district.

3.13 However, MHCLG consulted on updates to the Standard Method in late 2018, which substituted the 2016-based household projections with the 2014 dataset, as the Government considered that the 2014-based projections more accurately reflect long-term trends. As a consequence, the Government re-worked the Standard Method formula, introducing the revisions into the PPG for Housing and Economic Needs Assessment in February 2019.

3.14 In response, the council once again reviewed the District’s Local Housing Need; taking account of the changes set out in the PPG. Figure 3.2 sets out a worked example of the Standard Method for F&H using the PPG’s step by step guide.⁴



⁴ Housing and Economic Needs Assessment, para 004

- 3.15 Based on the Standard Method calculation, the Core Strategy Review now plans for 738 dwellings per annum; or a total of 13,284 new homes over the period 2019/20 to 2036/37. This will provide for the minimum amount of new development required by national planning policy.
- 3.16 The amount of need identified by the Standard Method has a direct influence on how many homes will be built in the future. It does not however ensure that the homes are actually built - that is reliant on wider market conditions and targeted Government interventions to support the market. However, identifying sufficient land so that the market is not prevented from delivering the homes that are needed is vitally important to prevent under-delivery.

Core Strategy Review Examination in Public

- 3.17 The CSR is currently under Examination to determine whether it has been prepared in accordance with the relevant legal requirements, and whether it is "sound".
- 3.18 Given the increasing housing need that has arisen over the course of the plan preparation, and the spatial strategy that is being pursued to address this step change in delivery, the council believes that it would be difficult to achieve a consistent annualised requirement of 738 dwellings per annum in the early stages of the CSR plan period.
- 3.19 A significant change in the level of housing requirement, and/or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period, are instances recognised by the PPG for Housing Supply and Delivery, Paragraph 021⁵ where a stepped housing requirement may be appropriate.
- 3.20 As such, the council has requested that the Planning Inspectors currently examining the Core Strategy Review consider the stepped housing requirement as presented in Table 3.1. In July 2021, following the close of the final hearing sessions, the Inspectors wrote to the council advising that the CSR could be made sound subject to Main Modifications. This includes the application of the proposed stepped trajectory set out in Table 3.1.

⁵ Reference ID: 68-021-20190722.

However, until the CSR with stepped trajectory is adopted, the council will continue to have a minimum housing requirement of 738 dwellings per annum.

	19/20 - 23/24	24/25 - 28/29	29/30 - 33/34	34/35 - 36/37	Total
Housing Requirement	590	920	730	695	13,285

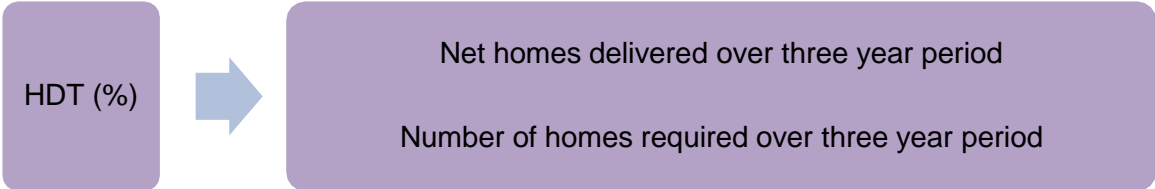
Table 3.1: Proposed Stepped Housing Trajectory 2018/19 - 2036/37

4. The Housing Delivery Test Result 2020

4.1 Section 4 of the HDAP provides an explanation of the Housing Delivery Test and the results and implications for Folkestone & Hythe District.

How is the Housing Delivery Test calculated?

4.2 The Housing Delivery Test is a percentage measurement of the number of net homes delivered against the number of homes required, as set out in the relevant strategic policies for the areas covered by the Housing Delivery Test, over a rolling three-year period. The annual figure given for the HDT is expressed as a percentage, and calculated as follows:



4.3 The housing requirement is set by an authority’s local plan. However, where the adopted local plan is more than five years old and becomes ‘out-of-date’, the national housing need figure is used. The Standard Method applies district-level data from the Office for National Statistics on household growth and housing affordability to a standardised formula to arrive at the minimum number of new homes that local authorities should plan for each year. If the 5th anniversary of a local plan occurs midway through a year, a weighted average for that year is calculated. This means that for as many days that the plan was ‘up-to-date’ within a test year, the annual target is used; and for the remainder of the year, annual average household growth / local housing need plus unmet need is used.

4.4 For the 2020 Housing Delivery Test, MHCLG has published a technical note setting out how the results were calculated. A temporary adjustment has been made to the housing requirement to reflect the disruption to the construction industry as a consequence of the Covid-19 pandemic and the first national lockdown between March and June 2020. Therefore, the 2019/20 housing requirement has been reduced by the equivalent of one month’s provision.

Housing Delivery Test Results for Folkestone & Hythe District

- 4.5 On 19th January 2021, the Government published the 2020 Housing Delivery Test results for all Local Authorities across England. Table 4.1 shows that Folkestone & Hythe achieved **91%** of its housing requirement for the period 2017/18 to 2019/20.
- 4.6 The Core Strategy Local Plan (2013), which set a target of 400 dwellings per annum, passed the 5 year anniversary of its adoption in September 2018. From this point the national housing figures have been applied in line with guidance.

	2017/18	2018/19	2019/20	Total	%
Housing Requirement	400	448	675	1,523	91%
Housing Delivery	489	432	462	1,383	

Table 4.1 Housing Delivery Test 2020 Measurement

4.7 The Housing Delivery Test is now in its third year of publication. Figure 4.1 gives the district’s results for the current year and the previous two years; this shows a downward trend from a strong position in 2017/18 and 2018/19 to this year’s under-delivery.

4.8 Although the number of homes being completed in the district has generally increased and consistently exceeds the housing requirement that was set by the Core Strategy Local Plan (2013), the total the district is required to meet through the test has increased at a much greater rate. Graph 4.1 shows the number of homes completed in the district since 2015/16, as calculated by MHCLG, and the requirement set by the test.

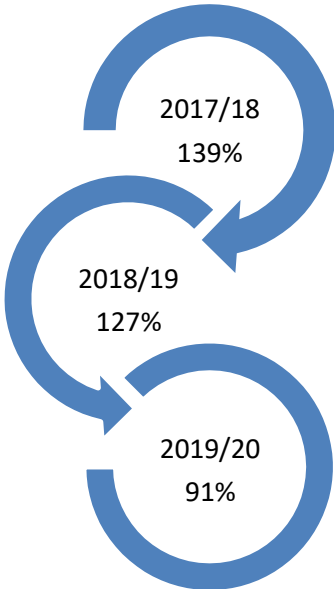
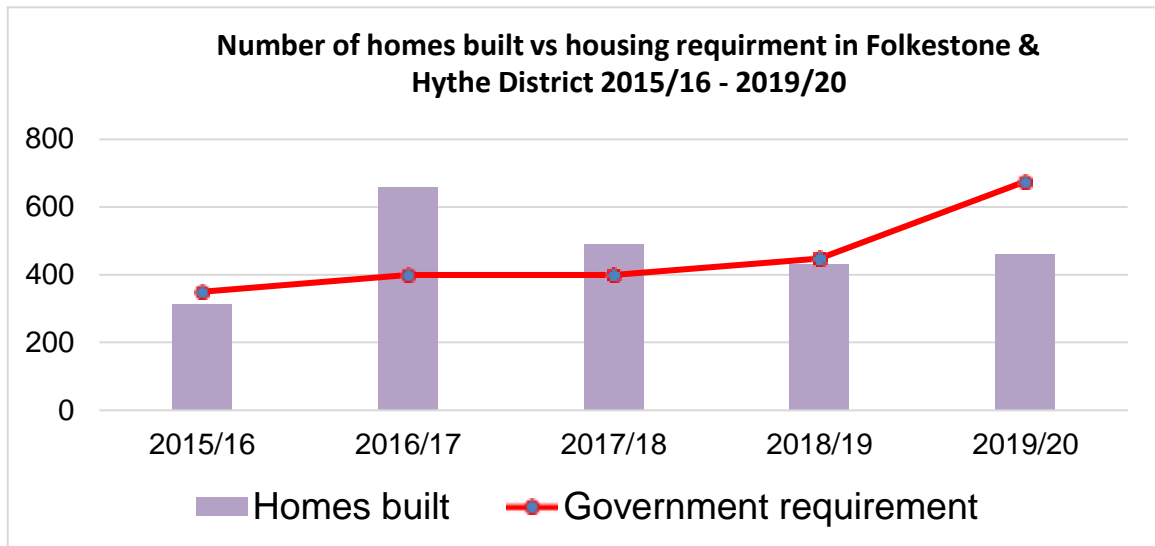


Figure 4.1: F&HDC HDT results 2018 - 2020



Graph 4.1: Number of homes built vs housing requirement 2015/16 – 2019/20

What is the consequence for the Folkestone & Hythe?

4.9 Further information on the housing delivery test is set out in national planning practice guidance, published online by MHCLG. If the housing delivery test is not met, a range of consequences will be triggered according to the level of under-delivery, as set out in Figure 4.2.

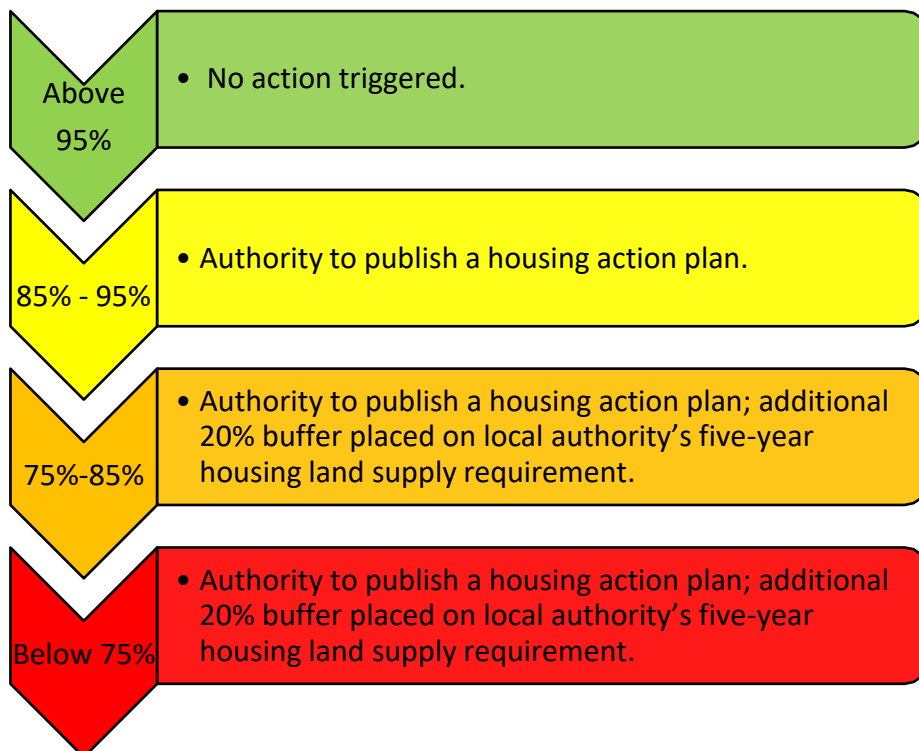


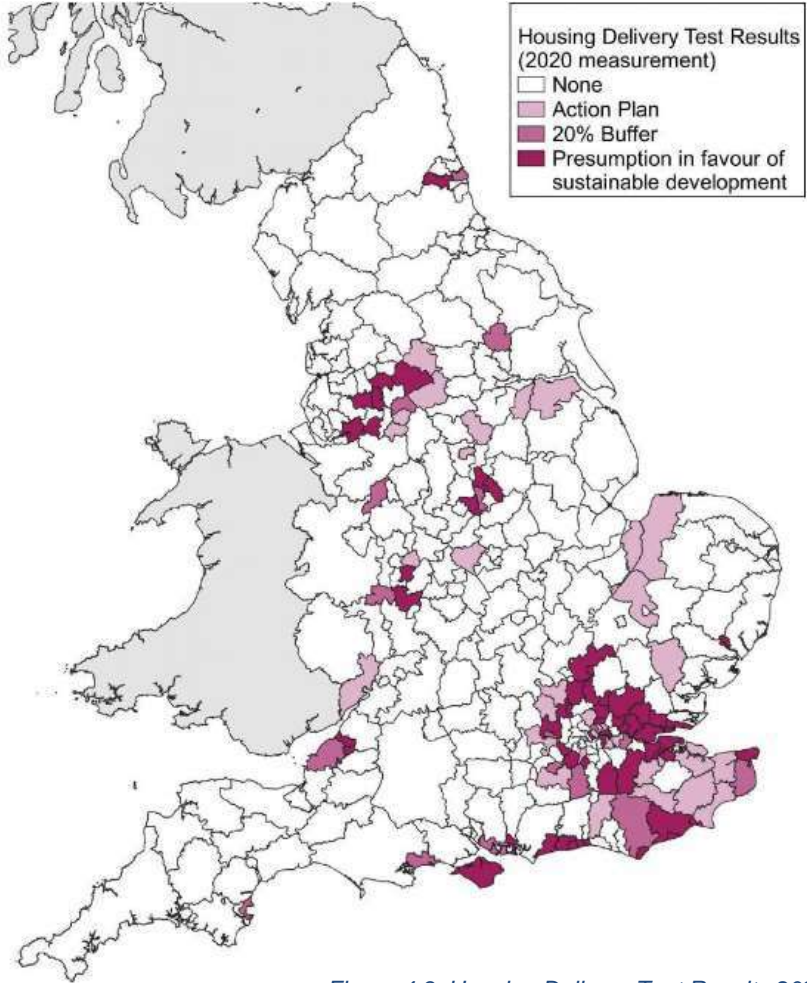
Figure 4.2: Level of under-delivery and resulting national policy requirements

4.10 A score of 91% for Folkestone & Hythe means that the council is required to prepared and publish a Housing Delivery Action Plan on its website within 6 months of the release of the HDT results. This Action Plan was published on 19th July 2021 and so meets this requirement.

4.11 As a result of these sanctions, it is crucial that Folkestone & Hythe does not underestimate the importance of achieving housing delivery targets, or indeed, the implications of the penalties which the Government have established, which could as an end result, make it more difficult for the council to refuse some planning applications (or cause the council to lose more frequently at appeal).

How does Folkestone & Hythe District result compare with others nationally and at county level?

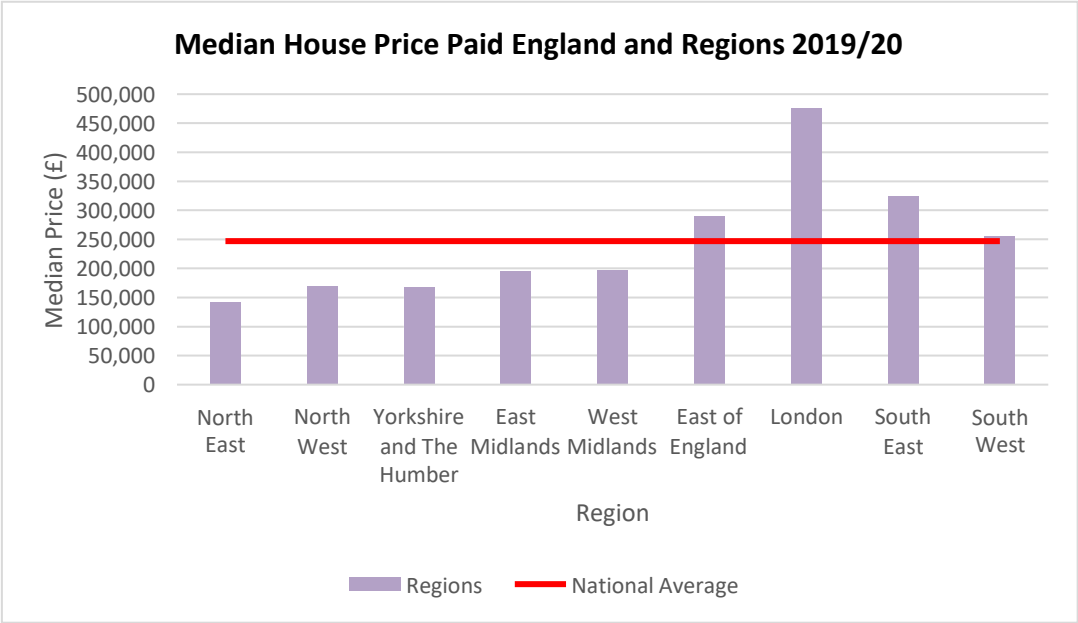
4.12 Figure 4.3, presents a national picture of how local authorities have performed against the Housing Delivery Test in 2020.



Source: MHCLG

Figure 4.3: Housing Delivery Test Results 2020

- 4.13 It reveals that the local authority areas that are currently under-performing against the Housing Delivery Test are generally those surrounding key urban centres in places where land supply is heavily constrained and demand is high. This has the effect of raising house prices and reducing affordability.
- 4.14 In the poorest performing areas, green belt coverage was identified as a significant contributing factor; although it was often not the only land constraint. Many of the areas failing to adequately meet their housing requirement figure were also found to be constrained by land designations such as National Parks, Areas of Outstanding Natural Beauty (AONB) and Sites of Special Scientific Interest (SSSIs).
- 4.15 Figure 4.3 also highlights a particularly strong concentration of under-delivery around London and in the South East Region. Graph 4.2 shows that after London, the South East has the highest median house prices in England, followed by the East of England suggesting that there is a positive relationship between the cost of housing, affordability and performance against the HDT.



Graph 4. 2: Median house price paid in England and Regions 2019/20

- 4.16 In Kent, demand for property is high due to its proximity, connectivity and relative affordability to London. However, it is also heavily constrained by green belt, AONB, SSSI and flood risk designations; whilst local full-time salaries tend to be relatively low. This means housing targets calculated using the Standard Method exceed the projected household growth and far outstrip the supply of land and the rates at which the building

industry delivers housing in these areas. This combination of factors make the challenge of passing the Housing Delivery Test even greater.


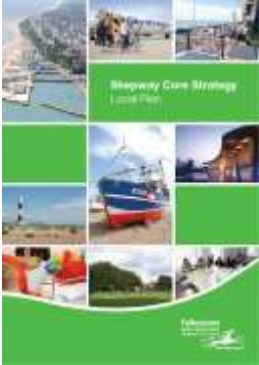

4.17 The Housing Delivery Test results for Local Authorities in Kent and Medway are set out in Table 4.3, and shows that only Maidstone and Dartford Borough Councils are currently passing the HDT. Despite this result, Folkestone & Hythe District Council is still one of the highest performing authorities in Kent.

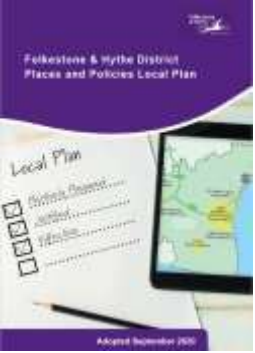
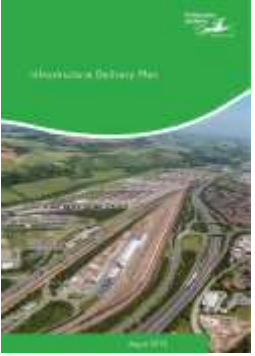

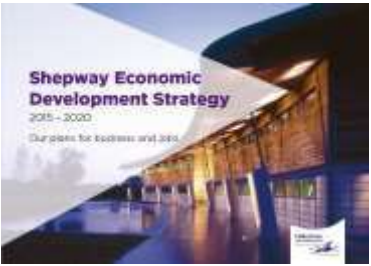
Kent and Medway Authority	2020 HDT Result	Action
Maidstone Borough Council	146%	None
Dartford Borough Council	121%	None
Folkestone & Hythe District Council	91%	Action Plan
Tonbridge & Malling Borough Council	91%	Action Plan
Ashford Borough Council	90%	Action Plan
Swale Borough Council	89%	Action Plan
Canterbury City Council	87%	Action Plan
Tunbridge Wells Borough Council	85%	Action Plan
Dover District Council	80%	Buffer
Sevenoaks District Council	70%	Presumption
Gravesham Borough Council	70%	Presumption
Medway Council	55%	Presumption
Thanet District Council	54%	Presumption

Table 4.2: Kent and Medway Authority Housing Delivery Test results 2020

5. Relationship of the Action Plan to Other Plans and Strategies

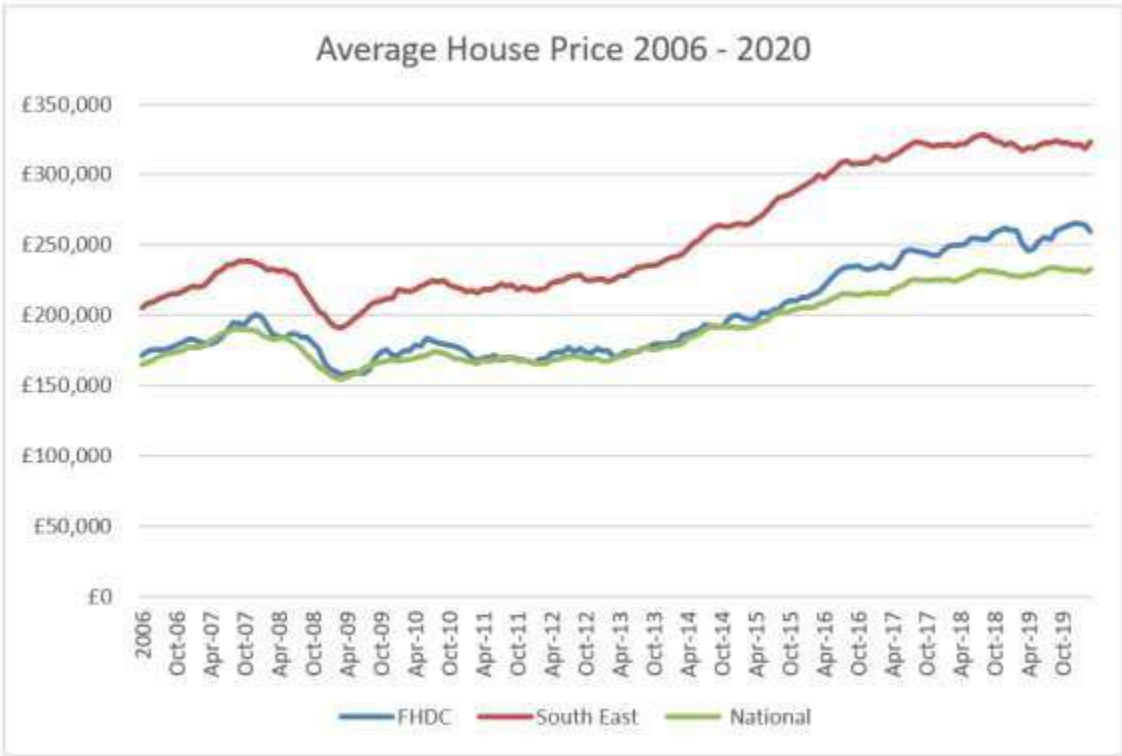
5.1 This Housing Delivery Action Plan has been prepared to complement existing council plans, policies and strategies which provide a framework for the delivery of the council's housing priorities. This includes the following:

Key Document	Purpose
	<p>The council's Corporate Plan includes strategic Core Aims themed around housing delivery, including Service ambition 4: Quality Homes and Infrastructure, including a priority to deliver a sustainable new development at Otterpool Park. This also includes the promotion and support of affordable housing, improvements to private housing stock and the prioritisation of the delivery of the council's major housing allocations.</p>
	<p>The Shepway Core Strategy Local Plan (2013) sets out the vision, broad principles and spatial approach to meet the development needs of the Folkestone and Hythe district to 2031. Other Development Plan Documents (DPDs) take the lead from the Core Strategy to ensure that they are in conformity with its vision, spatial strategy and policies.</p>
	<p>A review of the Core Strategy is currently underway and is being tested at Examination in Public. The Core Strategy Review seeks to update the spatial strategy for the Folkestone & Hythe District in response to increased housing requirements through the application of the Standard Method in 2018 and 2019.</p>

	<p>The Places and Policies Local Plan identifies small and medium sized housing sites across the district to help meet the targets in the Core Strategy / Core Strategy Review. It also sets out detailed development management policies to assess planning applications.</p>
	<p>The IDP supports the objectives outlined in the Core Strategy / Core Strategy Review and provides detail on infrastructure needs within the District to support new development. The IDP sets out estimated costs associated with each infrastructure project/programme.</p>
	<p>The Healthier Housing Strategy (2018 – 2023) is the council’s strategy for addressing key housing issues in the district. The document sets out how the council and its local partners intend to work together to address the affordable housing related needs of the district.</p>
	<p>The Shepway Economic Growth Strategy 2015-2020 - identifies unaffordable housing costs for an increasing number of local employees and residents as being a challenge to economic growth in the district.</p>

6. Folkestone & Hythe Housing Market

- 6.1 The housing market is sensitive to market forces and as such, it is accepted that the rate of housing delivery in the Folkestone & Hythe District will fluctuate across various economic cycles, despite the council providing a robust, sound and positively-prepared policy framework to help shape and facilitate housing delivery.
- 6.2 The PPG advises that house prices should be monitored to identify if longer term changes indicate an imbalance between the demand for, and the supply of housing.
- 6.3 Graph 6.1 plots the average house price recorded in Folkestone and Hythe District, the South East and United Kingdom between 2006 and 2020. It shows that until August 2015 local property prices tracked comparative to those at the regional and national level. However, over the past five years, the District has seen a much steeper increase in house prices compared regional and national average. This has seen a narrowing of the gap to average house prices in the South East; and a widening to those nationally. This upward trend would signify that demand for housing in the District is currently outstripping supply. In April 2020, the average house price in Folkestone & Hythe was £259,823, which represents an approximate increase of 27% since 2015.



6.4 Graph 6.2 plots the ratio of lower-quartile house prices to lower-quartile workplace-based earnings (affordability ratio) published by the ONS⁶. This indicates notable affordability pressures for Folkestone & Hythe market house purchases.



6.5 Prior to the 2008 financial crash, the lower-quartile (entry level) house prices were approximately 9.3 times the earnings of households in the District, compared to an approximate ratio of 8.7 in the South East and 7.1 nationally. Affordability in the District improved slightly during the downturn with house prices fluctuating around 7 to 8 times that of household earnings. However since 2015, household earnings have not kept pace with rising house prices meaning a return to pre-recession levels of affordability. The most recent 2020 lower-quartile level data indicates that the level of affordability in Folkestone & Hythe District has worsened with an affordability ratio of 10.33, surpassing levels of affordability reported for the South East; whilst the affordability ratio nationally has continued to track steadily at around 7 times household earnings.

6.6 The potential impacts arising from high housing costs and a lack of affordability include falling home ownership, increasing numbers of households renting privately, levels of over-occupied households and those in shared housing increased. The SHMA (2017) recommends an additional 139 affordable houses need to be delivered each year to meet the needs of households in the district currently residing in unsuitable housing.

6 <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

6.7 The rising household numbers, coupled with an ageing population, mean that Folkestone & Hythe will continue to need to provide a mix of housing types and sizes, including specialist forms of housing. This presents a challenge for the district as it will need to facilitate the delivery of affordable housing and a range of housing types to meet identified needs, including those of older people, within both the market and affordable sectors.

7. Analysis of Housing Delivery Position

7.1 Section 7 of the HDAP deals with the housing market delivery analysis by reviewing past performance.

Past Housing Completions

7.2 The council monitors housebuilding through the collection of data on planning applications and the commencement and/or completion of individual dwellings. These two elements provide the basis for measuring performance against the council's housing requirement as set out in its adopted Local Plan. The data collected on housing approvals and completions feeds into the Authority Monitoring Report (AMR), which is published on an annual basis.

7.3 The monitoring process consists of site visits to existing development sites (i.e. sites with extant planning permissions) and engaging with developers/house builders where necessary to understand potential delivery rates and completion targets.

7.4 Table 7.1 sets out annual housing completions against requirement since the start of the Core Strategy plan period in 2006/07. Overall, there have been 4,591 net additional dwellings completed (as at 1 April 2020); an average of 328 dwellings per year. In terms of performance against the Core Strategy housing requirement, there have been 782 fewer dwelling completions than required to this point in the Plan period.

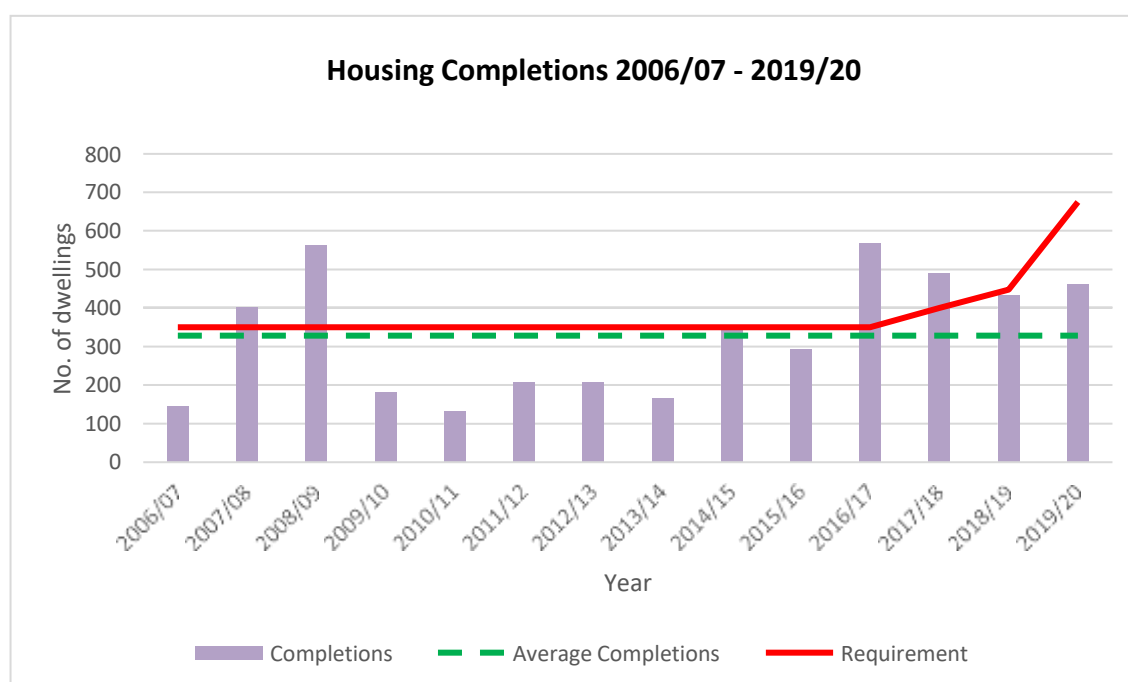
Year	No. of completions	Annual Requirement
2006/07	146	350
2007/08	402	350
2008/09	562	350
2009/10	180	350
2010/11	132	350
2011/12	207	350
2012/13	206	350
2013/14	165	350

2014/15	348	350
2015/16	293	350
2016/17	567	350
Housing Delivery Test Introduced		
2017/18	489	400
2018/19	432	448
2019/20	462	675
Total	4,591	5,373

Table 7.1: Housing completions vs annual requirement since 2006/07

7.5 In understanding why Folkestone & Hythe has under-delivered during the current adopted plan period from 2006/07, only managing to meet and exceed its annual housing requirement in four of the past fourteen years, it is helpful to take into account 'development cycles' and changing national planning policy requirements.

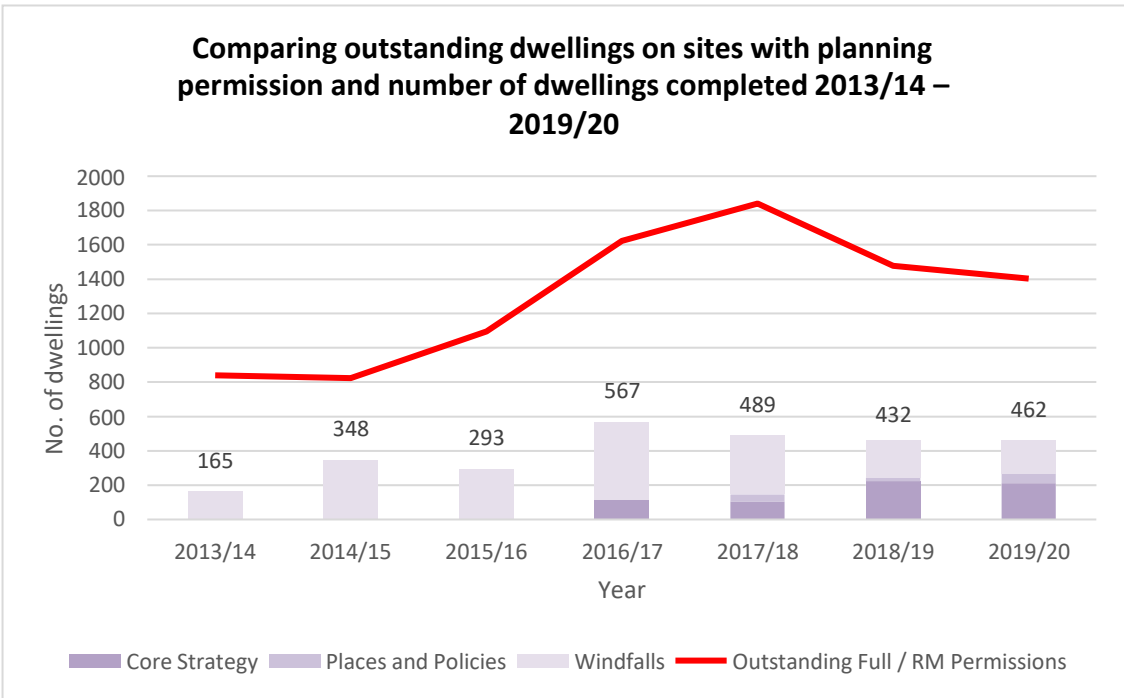
7.6 When housing delivery is viewed over a longer time period it is evident that completion rates tend to reflect the state of the housing market. Graph 7.1 shows that in the mid-2000s the rate of housing delivery was on average exceeding the Local Plan requirement. However, delivery rates dropped significantly as a consequence of the global recession in 2007/08, which had a significant impact on market confidence. This confidence did not start to return until 2014/15 and even then was momentarily depressed once again in 2015/16 following the EU referendum.



Graph 7.1: Housing completions vs annual requirement since 2006/07

7.7 Nevertheless, the return in market confidence coincided with changes to national planning policy, the Core Strategy Local Plan being deemed out of date, and therefore the council’s housing requirement being set by the new standard methodology. The graph further documents the steep increase in housing requirement from the adopted 350 to 738 dwellings per annum; an increase of 111%.

7.8 Graph 7.2 compares the number of housing completions by source against the number of outstanding dwellings with either full or reserved matters planning permission since the adoption of the Core Strategy in 2013. This graph shows the build out of sites allocated in the Core Strategy and Places and Policies Local Plan, as well as sites which come forward from other sources, such as small sites within towns and villages or the conversion of shops or offices (known as ‘windfall’ developments).



Graph 7.2: Housing completions vs outstanding commitments 2013/14 - 2019/20

7.9 It shows that whilst there has been a significant uplift in the number of dwellings with full or reserved matters planning permission and in the corresponding number of dwellings being completed.

7.10 This increase can be attributed to key strategic allocations in the Core Strategy Local Plan such as Shorncliffe Garrison and the broad locations at New Romney and Sellindge attaining planning consent and commencing of physical delivery on site. These have enabled the council to start consistently exceeding the housing target that had been set

by the Core Strategy. However, the increase in permissions has not yet been translated into a proportionate increase in the number of completions.

7.11 Graph 7.2 also highlights that historically there has been a constant and reliable supply of non-allocated windfall completions - in particular on sites delivering between five to nine dwellings. This may be due in part to the fact that, in the early years of shown by the graph, the Places and Policies Local Plan was being prepared but had not yet reached adoption, meaning that more development was occurring outside the framework of an up-to-date development plan, as well as changes in planning legislation allowing office conversions to residential use. However, evidence prepared by the council would support the conclusion that windfalls will still remain an important element of housing delivery in the Folkestone & Hythe District.

7.12 Table 7.2 sets out the total number of lapsed dwellings – where the planning permission expired without the development being implemented - as a percentage of the outstanding commitment of all planning permissions in Folkestone & Hythe between 2013/14 and 2017/18. Although the rate varied from year to year, overall the lapsed permissions averaged just 1.9% of all homes that had either outline or full planning permission. This suggests that there are very few speculative planning applications made in the district (unlike, for example, major metropolitan areas where planning applications may be made more for valuation purposes than with the intention of constructing the scheme). It also shows that constraints of infrastructure and funding do not appear to be major barriers to starting construction on site, although they may still be factors affecting the rate of build-out after construction has begun.

Year	Outstanding Commitment (Net)	Expired Dwellings (Net)	% Expired Dwellings
2013/14	840	18	2.14
2014/15	823	29	3.52
2015/16	1086	23	2.12
2016/17	4142	2	0.05
2017/18	4413	84	1.90
Total			1.9

Table 7.2: Lapse rate of dwellings with planning permission 2013/14 - 2017/18

Future Delivery

- 7.13 It is notable that at no point within the 2013 Core Strategy plan period has F&HDC delivered 738 dwellings, suggesting that delivering this volume of housing will require a step change. The council is currently proposing to meet this uplift in delivery through its review of the Core Strategy, which is currently under examination.
- 7.14 The CSR identifies that a minimum of 13,284 new homes will need to be delivered over the period 2019/20 to 2036/37. This equates to an average of 738 homes per annum. The Plan has identified a new garden settlement at Otterpool Park, as well as broader extensions to the broad location at Sellindge to meet housing need.
- 7.15 Graph 7.3 forecasts future housing delivery by source against both an annualised and stepped trajectory. It provides a detailed assessment of the housing trajectory, broken down to the sources, up to March 2037. The trajectory illustrates that there is expected to be an increase in the annual average completion rate over the next five years (2020/21 to 2024/25), with 4,309 completions over this period. This equates to an annual average of 862 completions.

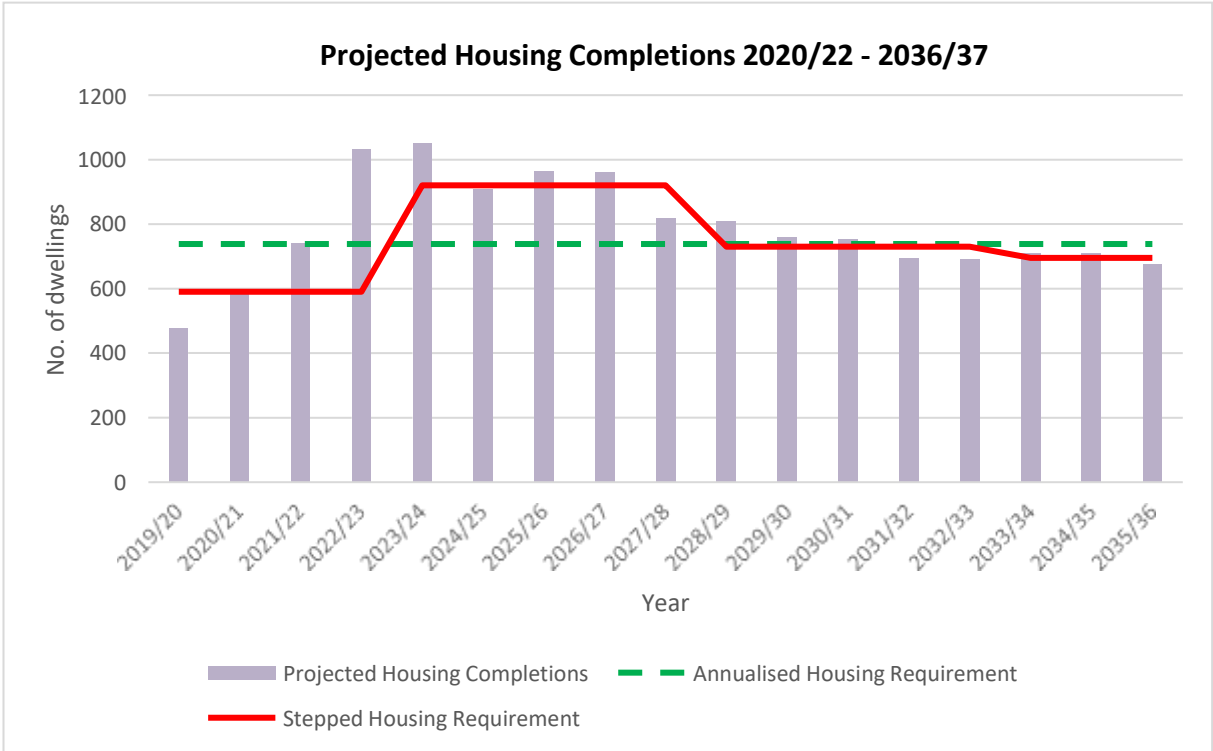


Table 7.3: Projected housing completions vs annualised and stepped trajectories

- 7.16 The housing trajectory currently presented by the Core Strategy Review between 2018/19 and 2036/37 illustrates how Otterpool Park will gradually become the main focus for development in the district as the plan period progresses.
- 7.17 Prior to the first completions at Otterpool Park in 2023/24, efforts towards meeting the identified housing need will in the first instance be met through the current adopted development plan housing allocations of the CS and PPLP. This is likely to fall below the annualised housing required levels of 738 dwellings.
- 7.18 The proposed garden settlement is the mechanism that will enable the step change in housing delivery to occur through its ability to deliver multiple types and tenures of housing. The first phases at Otterpool will supplement volume market housing elsewhere in the district and will be delivered through local housebuilders, a housing association and the build to rent sector, delivering for certain housing markets currently underprovided for.
- 7.19 With the exception of Folkestone Seafront, strategic allocations are expected to progressively complete their build-outs at around the mid-point of the plan period. Sellindge (Phase 1) by Taylor Wimpey is forecast to complete in 2022/23; with other sites at Folkestone, Hythe and New Romney completing between 2025/26 and 2029/30. Small and medium sites in the Places and Policies Local Plan are expected to deliver at a consistent rate until 2031.
- 7.20 The completion of these existing sites, and in particular the strategic allocations, corresponds with the potential transition and commencement of volume housebuilders currently active in Folkestone and Hythe, at Otterpool. It is anticipated that Otterpool can support at least three volume housebuilders, with the first starting in 2026/27 and then another in 2030/31 enabling delivery rates to increase to the highest levels profiled by the trajectory for Otterpool Park. Delivery rates have potential to exceed the trajectory with a further housebuilder.
- 7.21 The period 2024/25 – 2029/30 is expected to see record numbers of completions, making up on any under-delivery in the first five years of the plan period.
- 7.22 After 2030/31, Otterpool is expected to be the main focus of delivery in the district, with completions between 500 – 550 dwellings per annum. It will be reasonable to expect that

a level of supply from other housing sites will also continue to supplement delivery at Otterpool. Officers' expectations are that up to 200 units per annum will be a reasonable assumption allowing for up to 95 units on windfall sites and up to another 100 units from the remaining allocation at Folkestone Seafront or any other future allocated sites that may result from a future review of the PPLP to bring it in line with the Core Strategy Review plan period of 2037; although it is anticipated that any subsequent Local Plan Review would continue to prioritise Otterpool Park in the existing Plan.

7.23 As a consequence, the council has requested that the inspectors examining the Core Strategy Review consider a proposed stepped trajectory that reduces early requirements in the plan period before increasing in the later years.

7.24 A stepped trajectory is necessary to give the council the best opportunity to pass the housing delivery test ahead of Otterpool Park beginning to supply new homes in larger numbers, and ensure that the council avoids an additional 20% buffer being applied to its five-year housing land supply (5 YHLS).

7.25 Table 7.3 sets out the 3-year housing delivery rates as anticipated by the Housing Trajectory against a 3 year annualised and a 3 year stepped requirement to estimate future Housing Delivery Test results.

Year	Forecast 3-YR Rolling Delivery	3-YR Rolling Requirement (annualised)	HDT Result (annualised)	3-YR Rolling Requirement (Stepped)	HDT Result (Stepped)
2020/21	1,476	1,861	79% (20% buffer)	1,628	90.6% (Action Plan)
2021/22	1,786	2,151	83% (20% buffer)	1,770	100% (Pass)
2022/23	2,355	2,214	97% (Pass)	1,770	133% (Pass)

Table 7.3: Estimated Future HDT Results 2020/21 – 2022/23

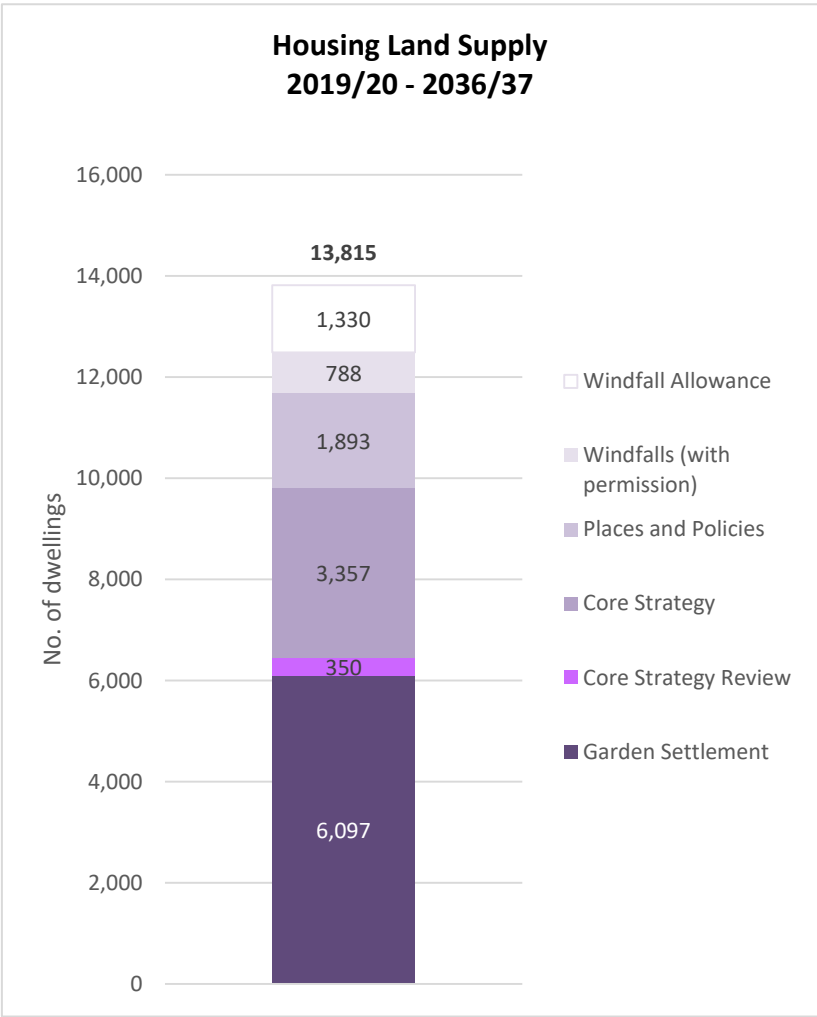
7.26 The table shows that adopting a stepped trajectory, presents the council with its best chance of passing the HDT; whilst forecasts suggest that continuation of an annualised requirement would mean that that the HDT would not be met until 2022/23 at the earliest; and that council would almost certainly face sanctions of an additional buffer being added to its 5-year housing land supply.

8. Analysis of the Housing Land Supply Position

8.1 Section 8 provides a detailed analysis of the current housing land supply position for the Folkestone & Hythe District.

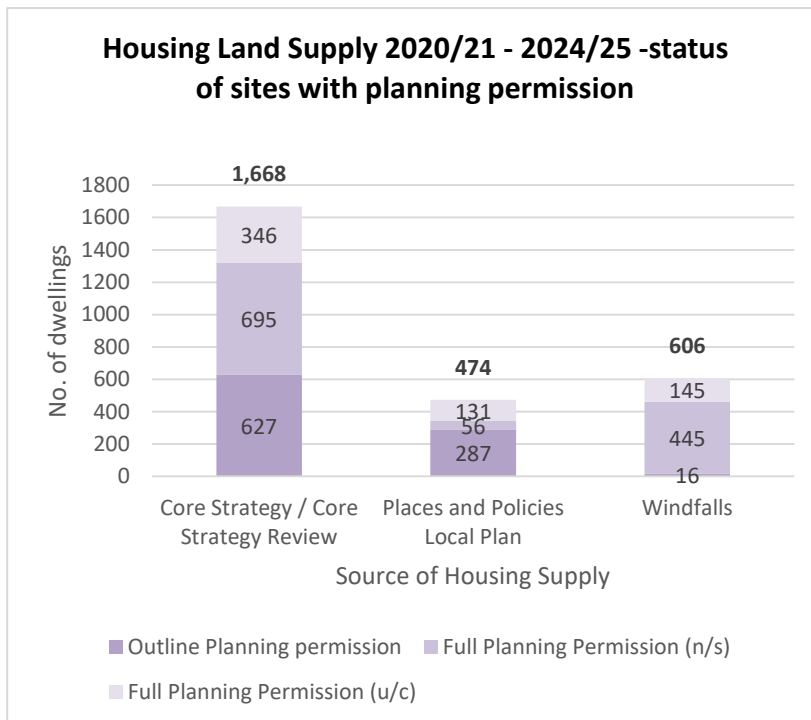
Current Housing Land Supply

8.2 The minimum housing need for the plan period to 2036/37 is identified as 13,284 dwellings. The council is currently able to demonstrate a housing land position of 13,815 dwellings for the plan period to 2036/37. Graph 8.1 below shows the composition of the housing supply position.



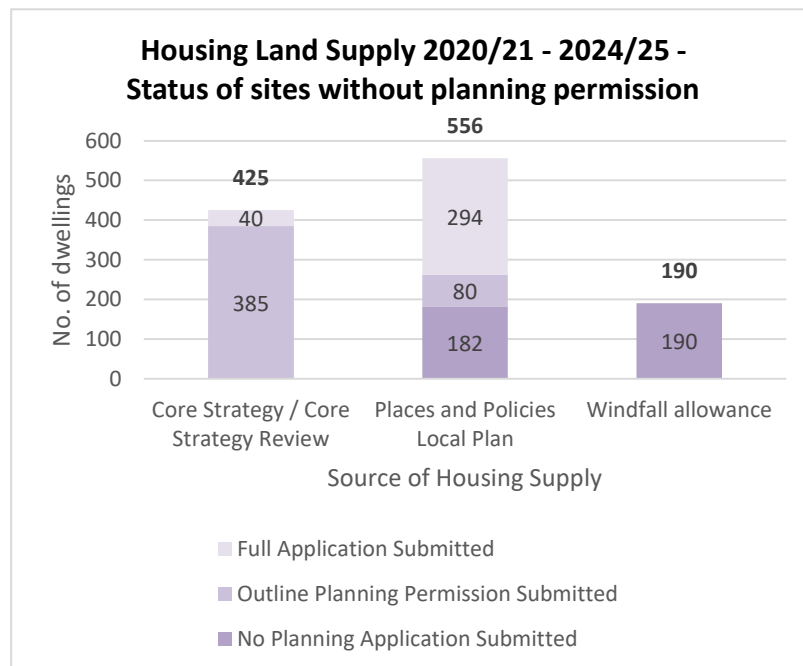
Graph 8.1: Composition of housing land supply 2019/20 - 2036/37

- 8.3 This is an over-supply of 513 dwellings for the plan period. This is the equivalent to 3.6% buffer, which is below the 5% required by national planning policy.
- 8.4 In 2012, the NPPF introduced a requirement that all local authorities should be able to demonstrate, at any given point, a 5 year supply of sites that are suitable for development immediately (i.e. a constant stream of implementable planning permissions that equate to 5 years' worth of requirement). Where a council cannot demonstrate a 5 year supply of housing land then its local policies for delivering housing are deemed out-of-date meaning that irrespective of what local policies might say, if a site could be considered to be 'sustainable development' by national policy then planning permission should be granted.
- 8.5 The latest housing supply position for the district was calculated in August 2020 following completion of the Housing Information Audit (HIA) for 2019/20; and updated in January and again in June 2021 for the purposes of the Core Strategy Review Examination in Public. This housing supply position is updated by the council at least for each financial year in order to ensure that the Five Year Housing Land Supply position remains up-to-date and is published in the Authority Monitoring Report.
- 8.6 As part of this process, the council recorded the number of dwellings that have been completed during the monitoring period, the number of dwellings that are currently under construction; and the number of dwellings with extant planning permission (or with a resolution to grant planning permission) as of the 1 April 2020. As part of the process, officers encourage developers and/or agents to share up-to-date information on the phasing of these sites so that future delivery can be profiled as accurately as possible.
- 8.7 Graphs 8.2 and 8.3 below shows the number of housing completions expected from the various sources of housing sites for the five year period 2020/21-2024/25.
- 8.8 Graph 8.2 presents the number of dwellings that have extant planning permission as of 1 April 2020 (and are anticipated to come forward) in the next five years. Across a mixture of housing allocations and windfall sites this accounts for 2,748 (net) dwellings. At present 1,818 dwellings benefit from full planning permission, of which 622 are under construction. Of the 930 dwellings that currently benefit from outline planning permission, 744 have a Reserved Matters application submitted for determination.



Graph 8.2: Housing land supply 2020/21 – 2024/25 with planning permission

8.9 Graph 8.3 shows anticipated completions current without planning permission as of 1 April 2020 (but are anticipated to come forward) in the next five years. Across a mixture of housing allocations and windfall sites this accounts for 1,191(net) dwellings. At present 799 have either full or outline planning applications submitted for determination to the Local Planning Authority.



Graph 8.3: Housing land supply 2020/21 – 2024/25 without planning permission

8.10 In terms of the overall housing land supply position in the district, the total number of dwellings expected to be delivered over the next five years only equates to just over five years' worth of the housing need for the district under the 'standard method'. The council will need to steadily increase the supply of new homes with planning permission over the coming years and to identify sites in a new Local Plan that can be developed for new homes.

Five Year Housing Land Supply 2020/21- 2024/25			
Row			Total
1	Annualised housing figure across five year period	Calculated using the Standard Methodology which uses the recently updated Housing Projections.	738
2	Five year housing requirement	Row 1 multiplied by 5	3,690
3	Current shortfall	The Standard Method takes into account past under delivery. As such, there is no need to address current shortfall.	0
4	Five year requirement plus current shortfall	Row 2 plus Row 3	3,690
5	Annualised housing figure with shortfall	Row 4 divided by 5	738
6	5% buffer	Add 5% buffer as required by NPPF paragraph 73. Calculate as 5% of Row 4	185
7	Total 5-YHLS figure	Row 4 plus Row 6	3,875
8	Total 5-YHLS figure (Annualised)	Row 7 divided by 5	775
9	Capacity of identified sites	Capacity used is that expected to be delivered within five years from site allocations without full planning permission	1,895
10	Extant planning permissions	Capacity used is that expected to be delivered within five years from sites with full planning permission.	1,834

11	Windfalls (Years 4 & 5)	This figure is calculated at 95 units per year based on evidence prepared to support the emerging CSR.	190
12	Total identified housing land supply	Total of Rows 9, 10 and 11	3,919
13	Supply Position (Years)	The number of Years Supply ((Row 12 minus Row 7) divided by (Row 8)) plus 5	5.0

Table 8.1: Five Year Housing Land Supply 2020/21- 2024/25

8.11 Table 8.2 illustrates that over 90% of the extant dwellings that make up the 5-YHLS are on sites of 10 or more; of which approximately 66% are made up from five strategic sites at Sellindge, Shornclyffe Garrison, Folkestone Seafront, Nickolls Quarry and New Romney. It is evident from these figures that the careful management of sites of this size is required to ensure that housing delivery is maintained across the District.

8.12 The Council has a strong track record of receiving and approving large windfall sites of 10+ dwellings, accounting for approximately 90 completions a year on average since 2012/13. However, the figures in Table 8.2 suggest that small size sites (1-9 dwellings), which should form an important core of the housing supply, represents just 7% of supply. National and local evidence suggests that sites that fall within the small size category are likely to be delivered at a quicker rate than larger sites; therefore, the value in terms of contributing to the District's housing supply should not be underestimated.

Source & Size of Sites	Total
Site allocations for 9 dwellings or less without planning permission)	41
Site allocations for 10 dwellings or more without planning permission	940
Extant permission on sites of 9 dwellings or less)	242
Extant permission on sites of 10 dwellings or more)	2,506
Total	3,919

Figure 3: Housing land supply 2020/21 - 2024/25 - size of sites

9. Key issues and challenges facing housing delivery in Folkestone & Hythe

9.1 Section 9 of the Action Plan seeks to identify key issues and challenges facing future housing delivery in the Folkestone & Hythe District.

Stakeholder Survey on Barriers to Delivery

9.2 As part of the work for the Housing Delivery Action Plan, the council consulted with agents, developers and landowners to gain a fuller understanding of the issues that may be constraining delivery of new housing in the District. This included a survey circulated to all contacts on a council database which comprises planning agents who regularly submit planning applications to the district council. The questionnaire asked the agents to consider the relative importance of a range of specific factors (e.g. lack of sites, development viability issues, delays in the planning process etc) in constraining or slowing down housing delivery. Appendix 1 presents a copy of the questionnaire.

9.3 Responses were received from seventeen planning agents who together are involved in a high proportion of current and planned future housing developments in the district. A summary of the key issues and challenges affecting housing delivery in Folkestone & Hythe District is set out below. This represented a response rate of 20% which was considered a reasonable rate of engagement.

Physical Constraints

9.4 Amongst respondents, spatial constraints within the district were identified as being the most significant barrier to housing delivery, with 57% considering this to be very significant.

9.5 The Folkestone & Hythe District has a diverse and contrasting blend of urban and rural environments and landscapes. These stretch from Folkestone, the escarpment and the Kent Downs in the north to the low-lying Romney Marsh in the South.

9.6 To inform the Core Strategy Review the council undertook a comprehensive assessment of landscape constraints and opportunities across the district (the High Level Options Report and High Level Landscape Appraisal). The High Level Options Report divided the district into the following six areas to assess their potential for strategic growth: (1) Kent Downs, (2) Folkestone and surrounding area, (3) Hythe and surrounding area, (4) Sellindge and surrounding area, (5) Romney Marsh and Walland Marsh; and (6) Lydd, New Romney and Dungeness.

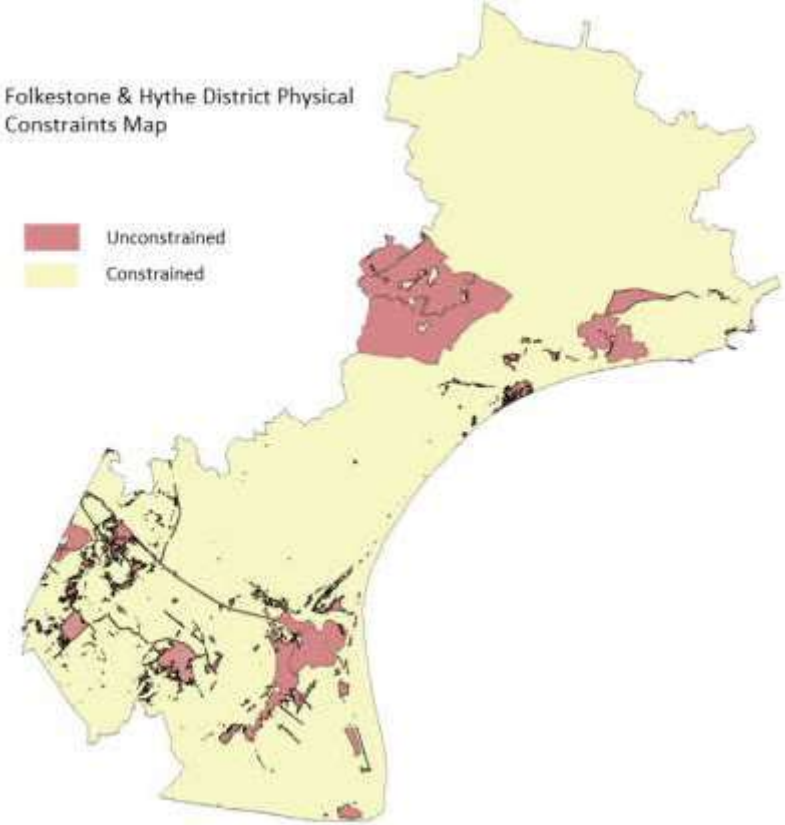


Figure 9.1: Folkestone & Hythe District physical constraints map

Urban Character Area (2 & 3)

9.7 Folkestone and surrounding area offers the widest range of factors that would support growth, such as low flood risk and minimal environmental and landscape designations, excellent transport and other infrastructure. However, given the lack of constraints, much of the land is already developed and capacity to accommodate any large-scale development is extremely limited.

9.8 Within Hythe and surrounding area the key constraints relate to the significant areas of Zone 2 and 3 floodplain, particularly to the west, but also large ecological designations at Hythe Ranges; and the Kent Downs Area of Outstanding Natural Beauty designation and its setting is also a significant landscape constraint. Transport infrastructure and economic opportunities are also more constrained than in Folkestone.

North Downs Area (1 & 4)

9.9 The key strategic constraint of the Kent Downs is the Kent Downs Area of Outstanding Beauty, a landscape designation that covers approximately a quarter (24%) of the entire district. The NPPF is unambiguous in stating that the AONB designation makes the area unsuitable for strategic-scale development. Other significant constraints include multiple environmental designations and a rolling landscape of scattered historic villages and farms, many with heritage constraints.

9.10 For Sellindge and surrounding area there is more extensive land free from direct constraints. A significant proportion is considered to be within the setting of the AONB and as such due regard should be had for its special characteristics and reasons for designation; although this doesn't preclude development.

Romney Marsh Character Area (5 & 6)

9.11 The landscape of the area derives much of its character and heritage from the fact that it is open and undeveloped, which also reduces the spatial opportunities for development to benefit from defensible boundaries. The area's key constraints were environmental, with a significant extent of land within Flood Zones 2 and 3. In the areas outside the floodplains, there are large scale environmental and landscape designations such as Sites of Special Scientific Interest (SSSIs) and international and European-designated sites, including areas of Ramsar, Special Protection Area (SPA) and Special Area of Conservation (SAC) status. Partly as a result of all of these considerations, the area is sparsely developed and as such has a very limited transport network, resulting in few economic opportunities.

9.12 The conclusion of the High Level Options Report was that the great majority of the district – the Folkestone and Hythe and surrounding areas, Kent Downs, Romney Marsh and Walland Marsh, Lydd, New Romney and Dungeness – is unsuitable for strategic-scale

growth. It was found that Sellindge and surrounding area, may have opportunities to accommodate strategic with an appropriate focus on the setting of the Kent Downs Area of Outstanding Natural Beauty as a constraint. This area forms the focus of new garden settlement proposals being brought forward through the Core Strategy Review.

Supply of Small and Medium Sized sites

- 9.13 Approximately 76% of respondents identified the lack of small and medium sized sites as either a significant or very significant constraint to development.
- 9.14 Following the adoption of the Core Strategy 2013, the council subsequently undertook a new Strategic Housing Land Availability Assessment (SHLAA) to inform the preparation of its Places and Policies Local Plan in order to address the residual housing need not met by the Core Strategy with a focus on small to medium sized sites; however, there was no maximum threshold to the size of site that was considered.
- 9.15 An initial 'call for sites' was held between 9 December 2013 and 3 February 2014, whilst a further 'call' ran concurrently with the Issues and Options consultation between 29 January and 11 March 2015.
- 9.16 The Council considers that it has demonstrated that it has kept an up-to-date review of potential SHLAA sites available in the Folkestone & Hythe District throughout the plan making process; and exhausted those that have been submitted and assessed as being suitable for development. The majority of those sites not allocated have constraints relating to impact on the Kent Downs AONB, internationally and nationally protected habitats; and flood risk, which is consistent with the highly constrained nature of the District. The Inspectors should therefore be confident that there is extremely little or no latent housing land capacity within existing built up areas or smaller peripheral sites.

Determination of Planning Applications

- 9.17 Approximately 88 per cent of respondents identified the pre-application service as either a significant or very significant barrier, claiming that the time taken to receive written advice and/or the consistency of advice between planning officers were the main issues. Additionally, almost 60% raised the amount of time taken to determine a planning

application as being either significant or very significant. Finally, 47 per cent suggesting that the use of pre-commencement conditions and the time taken to discharge these conditions were significant factors affecting delivery.

- 9.18 A notable loss in planning officers, coinciding with an increase in planning applications, has impacted on the performance of the Planning Service. Despite attempts to recruit and retain planning officers, this hasn't always proved successful. This has unsurprisingly led to capacity problems within the Development Management Team resulting in a number of applications having to be reassigned to other planning officers or agency staff and/or requiring an agreement of Extension of Time (EoT) with applicants.

Infrastructure, Planning Obligations and Viability

- 9.19 Over 75% of respondents cited infrastructure requirements such as highway improvements, utility and/or service provision as either a significant or very significant barrier to housing delivery within the District.
- 9.20 It is recognised that a number of site allocations within the Council's development plan are classified as greenfield. Whilst these sites can have their advantages, often the lack of existing infrastructure and the need to bring utilities and services to site can drive up the overall cost of development. Additionally, the absence of infrastructure often requires approvals from several government agencies, which can increase the length of time taken to implement and deliver the permission.
- 9.21 The Core Strategy and Places and Policies Local Plan are supported by an Infrastructure Delivery Plan which details the physical, social and environmental infrastructure that will be required to implement the proposals set out in the plan. It is important to ensure that infrastructure requirements and their associated costs and lead in times, do not prevent or slow down developments coming forward.
- 9.22 Moreover, approximately 80% were of the view that planning obligations were too onerous and this was either a significant, or very significant, constraint. This may be the result of developers of small- and medium-sized sites needing to meet the same policy requirements as developers of large sites, while struggling with smaller site areas and development quanta and being unable to benefit from economies of scale.

9.23 The NPPF specifies that pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable and the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened.

9.24 To ensure viability, the costs of any requirements likely to be applied to development, such as affordable housing, should be clearly set out, so that after taking account of the normal cost of development and mitigation, a competitive return to a willing land owner and willing developer enable the development to be deliverable.

10. Key Actions and Responses

- 10.1 As previously set out, the council is acutely aware that historically, housing delivery has been slow and a step-change is needed to meet increasing requirements set by the Government's standard methodology. A number of actions and initiatives have already been put in place and are set out in tables later in this section. A number of key actions are set out in detail below.
- 10.2 The council has already taken a number of steps to increase the delivery of homes.
- 10.3 Regarding the development plan for the district, the council adopted the Places and Policies Local Plan in September 2020, and development activity (planning applications, planning permissions and construction) has advanced on the majority of sites allocated in the plan.
- 10.4 Progress with the Core Strategy Review will be crucial; this plan is currently with the Secretary of State for Examination in Public. Once adopted it will boost the supply of housing land by establishing the site allocation for the Otterpool Park new garden settlement. On adoption, the Housing Delivery Test will also be recalculated and the housing requirement will be based on the figures set out in the Core Strategy Review, which are currently lower than the minimum annual local housing need figure calculated using the standard method.
- 10.5 Other steps that the council has taken include:
- The council has acquired and is actively promoting strategic land for a new garden settlement at Otterpool Park as an allocation in Core Strategy Review and has established a Limited Liability Partnership (LLP) as the delivery vehicle to bring forward the site, in parallel with work on the Outline Planning Application.
 - The council has created a draw-down facility of £100 million over five years from November 2019 to fund any early infrastructure and other costs such as planning applications to support the delivery of Otterpool Park.

- An in-depth review of the current resourcing and capacity of the Development Management Team was undertaken in 2020/21. A re-structure of the planning service has been approved and recruitment to a number of key roles is underway.
- Publishing and maintaining part one of the statutory Brownfield Land Register which identifies suitable sites for housing in the district using previously developed land.
- Council officers have been working with funding providers, such as Homes England, to secure finance to deliver housing by enabling sites with marginal viability to be developed (such as Biggins Wood / Ship Street in Folkestone).
- Delivering market and affordable housing through the council's development activities and developing surplus council-owned land to provide new social housing.
- The council has embarked on a marketing and branding campaign to improve the perception of the district and encourage inward investment, particularly from housing developers.
- Council officers attend Kent Chief Planners and Kent Planning Policy Forums to share delivery trends and intelligence.
- Promoting opportunities across the district through presentations to the development industry.

NPPG Suggested Actions

10.6 Paragraph 51 of the NPPG sets out the actions that local planning authorities could consider as part of the Action Plan

NPPG Suggested Action	F&HDC Position	Timescale Short (1-2) Medium (3-5) Long (6+)
Revisiting the Strategic Housing Land Availability Assessment (SHLAA) to identify sites potentially suitable and available for housing development that could increase delivery rate,	Addressed through the Core Strategy Review and Place and Policies Local Plan with all sites assessed as being suitable, available and deliverable currently allocated in the development plan.	Implemented

including public sector land and brownfield land.		
Working with developers on the phasing of sites, including whether sites can be subdivided.	This is currently being undertaken by officers as part of the annual Housing Information Audit (HIA). Developers are asked to share up-to-date information on the phasing of sites.	Implemented
Offering pre-application discussions to ensure issues are addressed early.	The council's Development Management Team already offers pre-application advice on housing proposals.	Implemented
Considering the use of Planning Performance Agreements.	The council's Development Management Team already use Planning Performance Agreements	Implemented
Carrying out a new Call for Sites, as part of plan revision, to help identify deliverable sites.	There have been two 'Call for Sites' and various consultations when potential housing sites have been submitted to the Local Plan process. The next 'call for sites' will be as part of a future review of the development plan.	Short Term
Revising site allocation policies in the development plan, where they may act as a barrier to delivery, setting out new policies aimed at increasing delivery, or accelerating production of an emerging plan incorporating such policies.	This will be re-evaluated through a future review, especially where small / medium sized sites need to meet the same policy requirements as large sites, while struggling with smaller site areas and development quanta and being unable to benefit from economies of scale.	Medium Term

Reviewing the impact of any existing Article 4 directions for change of use from non-residential uses to residential use.	None in operation in Folkestone & Hythe district.	N/A
Engaging regularly with key stakeholders to obtain up-to-date information on build out of current sites, identify any barriers, and discuss how these can be addressed.	This is currently being undertaken by officers as part of the annual Housing Information Audit (HIA). Developers are asked to share up-to-date information on the phasing of sites.	Implemented
Establishing whether certain applications can be prioritised, conditions simplified or their discharge phased on approved sites, and standardised conditions reviewed.	Consideration to be given to whether allocations and/or larger windfall sites (10+) could be prioritised. An internal review of planning conditions and their use has been undertaken and is being finalised.	Short / Medium Term
Ensuring evidence on a particular site is informed by an understanding of viability.	This is undertaken at both Local Plan preparation and where appropriate through the planning application process. The council retains consultants to advise of viability assessment in connection with planning applications.	Implemented
Considering compulsory purchase powers to unlock suitable housing sites.	Compulsory Purchase Order powers will be enacted by the council for infrastructure provision that is required as a result of development where F&HDC as landowner cannot reach an amicable purchase value with the landowner.	Short / Medium / Long Term

Using Brownfield Registers to grant permission in principle to previously developed land.	A review of the brownfield register to be undertaken by officers. Unable to apply permission in principle where development proposals considered to be 'Habitats Development' without an appropriate assessment, due to the presence of SPA, SAC and Ramsar designations.	Short Term
Encouraging the development of small and medium-sized sites.	The Places and Policies Local Plan currently allocates a range of small and medium sized sites. Historically, the council also has a positive track record of receiving and approving development on windfalls sites. This will be monitored annually through the HIA to ensure that the windfall allowance is achieved.	Implemented

Table 10.1 NPPG suggested actions to increase housing delivery

Other Initiatives

10.7 Other initiatives the council is involved in to help increase housing delivery in the district are set out in the table below.

Current Actions	F&HDC Position	Timescale
		Short (1-2) Medium (3-5) Long (6+)
Adopt the Core Strategy Review (CSR) following receipt of the Inspectors' report.	The Core Strategy Review is currently undergoing examination in public. It promotes a new 'stepped trajectory' with a lower requirement in the first 5 years; and additional strategic allocations at Otterpool Park and Sellindge.	Short Term

<p>Preparation of a Place Plan / Area Action Plan for Folkestone Town Centre.</p>	<p>The council is active in bringing forward suitable sites e.g. through the Folkestone Town Centre Place Plan to guide the redevelopment of opportunity sites. The Place Plan has been through public consultation and is nearing completion. The focus will then turn to delivering identified sites.</p>	<p>Short / Medium Term</p>
<p>Increase resourcing / capacity of the Development Management Team</p>	<p>Monitor planning applications determined within Government statutory time limits and the use of Extensions of Time agreed with applicants. If resourcing and capacity within Development Management remains an issue then further recruitment of planning officers may be required.</p>	<p>Short Term</p>
<p>Undertake an internal review of planning conditions and their use.</p>	<p>The council is reviewing the use of planning conditions to ensure that: pre-commencement conditions are reduced where possible through alternative trigger points (although these are sometimes sought by applicants seeking to defer finalising significant details until after the grant of permission); the use of standard conditions are transparent to applicants and agents; and delays in processing condition discharge applications are minimised.</p>	<p>Short Term</p>

Working with Homes England to assist with the delivery of some key sites and release of publicly owned land.	The council is actively working with public bodies such as Homes England, to bring sites forward for development and to help identify and address barriers to delivery.	Short / Medium / Long Term
Refining the HIA process to provide clarity on stalled sites, by introducing 'under construction' stages to monitor progress more closely.	This will inform how long particular sites take to deliver completions and likely build out rates.	Short Term
Continuation of developer / agents forum	Maintaining the new agents' forum (including Development Management and Policy officers), so that barriers to housing delivery can be identified and addressed.	Short / Medium / Long Term

Table 10.2: Other initiatives to increase housing delivery

Potential Future Initiatives

10.8 This is not necessarily a definitive list but could be investigated in a future review of the Housing Delivery Action Plan, depending on the severity of the housing delivery position, the demand on resources and the likely impact of the action.

Potential Actions	F&HDC	Timescale Short (1-2) Medium (3-5) Long (6+)
Review of Local Plan.	Preparing a new local plan; this is likely to become necessary under forthcoming legislation, which will aim to reform the planning system in accordance with the proposals in the Planning White Paper 2020.	Short / Medium / Long Term

Undertake a review of Strategic Flood Risk Assessment (SFRA).	Recent improvements to sea flood defences may have the potential to remove areas previously classified as being at either 'significant' or 'extreme' flood risk, opening up the possibility of development in these locations.	Short Term
Partial Review of Growth Options Study.	Completing a partial review of the Growth Options Study to take account of the updated SFRA and/or preparing a more focused approach to smaller areas for growth.	Medium Term
Undertake a Strategic Housing Availability Assessment and Call for Sites.	Commence on a new Strategic Housing Land Availability Assessment (SHLAA) to identify sites potentially suitable and available for housing development.	Short Term
Update Employment Land Review	Completing an update of the Employment Land Review, which could identify redundant employment land with the potential for housing development.	Short / Medium Term
Develop a 'small sites' policy to make the consideration of smaller infill and windfall sites clearer and more straightforward.	Prepare an interim position statement setting out new policies aimed at increasing delivery, including a 'small sites' policy.	Medium Term
Review opportunities for alternative models of housing delivery.	Promote diversity of housing type, tenure and design on large sites; and modern methods of construction by exploring the delivery in future review of Local Plan Policy.	Medium / Long Term
Review of Supplementary Planning Documents (SPDs)	The council to develop a focused suite of SPDs to provide greater clarity to developers as to what should be provided as part of a planning application (i.e. SUDs, infrastructure, and developer contributions).	Short Term

Creation of Area Team within Development Management	Investigating the opportunity for the introduction of 'Area Teams' within Development Management to ensure the consistency of advice given to developers.	Short / Medium Term
Review of pre-application process.	Continuing to encourage the uptake of the pre-planning application advice service to reduce abortive work by developers in bringing forward schemes. Reviewing pre-application processes (including the charging schedule and validation check sheet), and introducing secondary sign off by Team Leaders for housing pre-application advice.	Short / Medium Term
Increasing the uptake of voluntary Planning Performance Agreements (PPAs)	Increasing the uptake of voluntary Planning Performance Agreements (PPAs) to assist in the delivery of major applications for housing sites within the local plan.	Short / Medium Term
Regular review of the Infrastructure Delivery Plan (IDP) and exploring opportunities for funding applications for new infrastructure schemes.	Council officers involved in various grant funding applications to support the delivery of new infrastructure.	Short / Medium Term

Table 10.3: Potential future initiatives to increase housing delivery

11. Monitoring and Review

11.1 This is the first Housing Delivery Action Plan that the council has produced and it will be monitored by the Strategy, Policy and Performance Team to assess its impact on the completion of new homes in the district. As a first step, the short-term actions identified in the tables in Section 10 will be implemented and monitored. If required (depending on the outcome of a future Housing Delivery Test), another Action Plan will be produced next year. This will review the actions and successes from this Action Plan, as well as highlighting if further actions (including new actions) are needed. Following this, the council can move on to the medium-term and long-term actions. If necessary, if there is no substantial increase in housing delivery, the council can explore the more far-reaching interventions listed in the 'Potential Future Initiatives' table.

Appendix 1: Stakeholder Questionnaire



Increasing Housing Delivery in the Folkestone & Hythe District: Developer Survey

As a developer/agent operating within Folkestone & Hythe district, we would be grateful for your views on the barriers that you think hold back house-building within the district.

Earlier this year the government published figures on the completion of new homes (the Housing Delivery Test) which indicated that fewer homes had been built in Folkestone & Hythe than national targets require. As a result of this, we are drafting a Housing Delivery Action Plan (HDAP) to identify potential constraints to house-building and the ways in which these could be addressed.

To inform the preparation of the Housing Delivery Action Plan, the Council is undertaking a focused consultation with agents, developers and landowners who regularly interact (or have recently interacted) with the Council's planning department (i.e. Planning Policy (Local Plan) or Development Management (planning applications) in relation to delivering new homes. The following short survey seeks to draw upon recent experiences or knowledge of the industry to help identify specific factors (e.g. lack of sites, development viability issues, delays in the planning process etc) that are influencing rates of housing delivery in the district.

The survey should no more than approximately 5 minutes to complete and responses will help shape the Housing Delivery Action Plan strategy to increase housing delivery in the future. The information that we collect from you is for internal use only and will not be shared with 3rd parties.

I would be grateful if you would take the time to complete the survey by the **26th April 2021**. If you would like to discuss any aspects of completing the survey, please contact me at timothy.bailey@folkestone-hythe.gov.uk or 01303 853333.

Kind Regards

The Policy and Improvement Team

Name:

Position:

Organisation:

E-mail:

1. What best describes you?

- National Housebuilder
- SME
- Registered Provider
- Planning Agent / Consultant
- Architect
- Site Promoter
- Self / custom builder

2. Which would you consider best describes your current involvement with promoting housing development in Folkestone & Hythe District? (Please tick all those that apply)

- Active (i.e. have housing sites in the planning process)
- Dormant (i.e. have potential housing sites; or seeking investment opportunities)
- Inactive (i.e. have no potential housing sites; and not seeking investment opportunities)

3. If you are a housing developer (i.e. housebuilder, SME; and RP), what is your current typical build out rate per annum in Folkestone & Hythe District?

- 0 dwellings
- 1-25 dwellings
- 26-50 dwellings
- 51-100 dwellings
- 100+ Dwellings
- N/A

4. On average, Folkestone & Hythe District Council is delivering approximately 450 homes per annum. Do you think that there is a capacity in the local market to deliver at a higher rate, if enough suitable sites were available?

- Yes (F&HDC has an expanding housing market)
- No (F&HDC housing market is saturated)

If yes, how many homes do you think you could deliver per annum in Folkestone & Hythe District?

.....

5. **In your experience, to what extent do you consider that the following issues are significant barriers slowing down housing development in the District?** (Please tick all those that apply).

a) Issues concerning housing supply

- A lack of suitable and available strategic housing sites (i.e. 250+)
- A lack of suitable and available small and medium housing sites (i.e. 1 - 249)
- Land banking
- Challenges associated with land assembly (i.e. legal, ownership, land prices)
- Spatial constraints restricting development opportunities (i.e. AONB, Flood Risk, Sites of Biological Interest (SSSI, RAMSAR, SPA etc)).
- Other (Please State)
- None

[Please use this box for any additional comments you may wish to make; or to expand on any of issues raised above]

b) The planning process

- An absence of an up-to-date development plan (i.e. less than five years old)
- Existing development plan policies too prescriptive; and/or ambiguous
- A lack of up-to-date supplementary planning policy guidance
- Pre-application advice (i.e. cost, time taken, consistency)
- Planning application validation
- The time to determine a planning application (i.e. validation to decision notice)

Please provide reference to a specific application(s); and at what stage of the determination process you consider the delay occurred; and why

.....

- Finalisation of associated legal agreements (i.e. time & viability)
- Use of pre-commencement conditions
- Discharge of planning conditions (i.e. time taken)
- Planning Committee (i.e. overturn officer recommendations)

Please provide reference to a specific application and committee date

.....

- Appeals (i.e. quality of decision making)
- Other (please state)

.....
 • None

[Please use this box for any additional comments you may wish to make; or to expand on any of issues raised above]

c) Issues concerning housing delivery

- Economic and housing market uncertainty i.e. demand for housing
 - Viability i.e. planning obligations - affordable housing, CIL and S.106
 - Difficulties accessing finance
 - Significant infrastructure requirements i.e. utilities, highways, waste water
 - Site preparation i.e. contamination, land stability
 - Shortages in skilled labour (i.e. tackling shortages in the construction industry)
 - Shortages in materials
 - Covid19
 - Other (please state)
-
- None

[Please use this box for any additional comments you may wish to make; or to expand on any of issues raised above]

6. **Do you have a site (in planning process or not) where the barriers listed in Question 3 apply to the delivery of your site?**

- Yes
- No
- If yes, please specify

7. **Which of the following actions should the Council undertake to have the greatest impact on increasing housing delivery?**

a) Housing supply action

- Adopt an up-to-date development plan
 - Undertake a regular review of the effectiveness of current housing policy
 - Update the council's land register of available housing sites (i.e. 'call for sites')
 - Increase promotion for new housing through council led initiatives and regeneration strategies (i.e. town centre regeneration plan)
 - Introduce a 'small sites' policy for edge of settlement proposals of exceptional design
 - Increase and improve current monitoring of housing data to be more reactive to emerging issues.
 - Pro-actively engage with landowners/site owners where applications have been granted for a time, and not yet commenced.
 - Other (please state)
-
- None

[Please use this box for any additional comments you may wish to make; or to expand on any of issues raised above]

b) Planning process actions

- Review Community Infrastructure Levy (CIL)
- Update or prepare new supplementary planning guidance to provide greater certainty to developers on matters such as parking, drainage; and broadband
- Encourage use of pre-application services and Planning Performance Agreements
- Review internal planning resource and processes (i.e. validation to decision)
- Review the process for using pre-commencement conditions and discharging planning conditions
- Review the processes for finalising legal agreements
- Review Planning Committee processes
- Prioritise planning application of 10 or more houses
- Other (please state)
-
- None

[Please use this box for any additional comments you may wish to make; or to expand on any of issues raised above]

c) Housing delivery actions

- Council to help stimulate greater diversity of housing product i.e. council housing / social housing
- A lack of diversity in housing product i.e. council housing, social housing
- Council proactively responding to bid funding opportunities as they arise to support the delivery of new infrastructure
- Council to raise infrastructure delays with relevant providers
- Review and update the brownfield register to grant permission in principle.
- Promote greater links with colleges / vocational courses for housebuilders
- Set up a developers delivery forum to tackle delivery issues
- Other (please state)
-
- None

[Please use this box for any additional comments you may wish to make; or to expand on any of issues raised above]

8. Would you be interested in participating in a future developer forum / workshop with the Council?

- Yes
- No

9. Do you want the council to send you a copy of the Housing Action Plan when it's published

- Yes
- No

10. Would you like to be involved in future surveys regarding housing delivery with Planning Policy?

- Yes
- No

Appendix 2: Results of Stakeholder Questionnaire

Q7 In your experience, to what extent do you consider the following issues concerning housing land supply to be barriers slowing down housing development in the District, not significant (1) to very significant (3)?

	1 - NOT SIGNIFICANT	2 - SIGNIFICANT	3 - VERY SIGNIFICANT	DON'T KNOW/NOT SURE	TOTAL	WEIGHTED AVERAGE
A lack of suitable and available strategic housing sites (i.e. 250+ dwellings)	47.06% 8	35.29% 6	17.65% 3	0.00% 0	17	1.71
A lack of suitable and available small and medium housing sites (i.e. 1 - 249 dwellings)	17.65% 3	35.29% 6	41.18% 7	5.88% 1	17	2.25
Land banking	56.25% 9	25.00% 4	12.50% 2	6.25% 1	16	1.53
Challenges associated with land assembly (i.e. legal, ownership, land prices)	35.29% 6	35.29% 6	17.65% 3	11.76% 2	17	1.80
Spatial constraints restricting development opportunities (i.e. AONB, Flood Risk, Sites of Biological Interest (SSSI, RAMSAR, SPA etc)).	5.88% 1	35.29% 6	52.94% 9	5.88% 1	17	2.50

Q8 In your experience, to what extent do you consider the following issues concerning the planning process to be barriers slowing down housing development in the District, not significant (1) to very significant (3)?

	1 - NOT SIGNIFICANT	2 - SIGNIFICANT	3 - VERY SIGNIFICANT	DON'T KNOW/NOT SURE	TOTAL	WEIGHTED AVERAGE
An absence of an up-to-date development plan (i.e. less than five years old)	58.82% 10	17.65% 3	23.53% 4	0.00% 0	17	1.65
Existing development plan policies too onerous; and/or ambiguous	23.53% 4	35.29% 6	35.29% 6	5.88% 1	17	2.13
A lack of up-to-date supplementary planning policy guidance	47.06% 8	35.29% 6	17.65% 3	0.00% 0	17	1.71
Pre-application advice (i.e. cost, time taken, consistency)	11.76% 2	41.18% 7	47.06% 8	0.00% 0	17	2.35
Planning application validation	40.00% 6	26.67% 4	26.67% 4	6.67% 1	15	1.86
The time taken to determine a planning application *if responding significant or very significant please provide application reference below.	29.41% 5	17.65% 3	41.18% 7	11.76% 2	17	2.13
Finalisation of legal agreements (i.e. time taken & viability)	23.53% 4	41.18% 7	23.53% 4	11.76% 2	17	2.00
Use of pre-commencement conditions	35.29% 6	47.06% 8	5.88% 1	11.76% 2	17	1.67
Discharge of planning conditions (i.e. time taken)	33.33% 5	46.67% 7	20.00% 3	0.00% 0	15	1.87
Planning committee (i.e. overturn officer recommendations)	23.53% 4	47.06% 8	23.53% 4	5.88% 1	17	2.00
Appeals (i.e. quality of decision making)	23.53% 4	35.29% 6	29.41% 5	11.76% 2	17	2.07

Q9 In your experience, to what extent do you consider the following issues concerning housing delivery to be barriers slowing down housing development in the District, not significant (1) to very significant (3)?

	1 - NOT SIGNIFICANT	2 - SIGNIFICANT	3 - VERY SIGNIFICANT	DON'T KNOW/NOT SURE	TOTAL	WEIGHTED AVERAGE
Economic and housing market uncertainty (i.e. demand for housing / competition)	41.18% 7	52.94% 9	5.88% 1	0.00% 0	17	1.65
Viability (i.e. planning obligations - affordable housing, CIL and S.106)	11.76% 2	47.06% 8	35.29% 6	5.88% 1	17	2.25
Difficulties accessing finance	58.82% 10	17.65% 3	5.88% 1	17.65% 3	17	1.36
Significant infrastructure requirements (i.e. utilities, highways, Waste Water Treatment Works)	23.53% 4	29.41% 5	47.06% 8	0.00% 0	17	2.24
Site preparation (i.e. contamination, land stability)	47.06% 8	35.29% 6	11.76% 2	5.88% 1	17	1.63
Shortages in skilled labour (i.e. electricians, brick layers)	41.18% 7	35.29% 6	0.00% 0	23.53% 4	17	1.46
Shortages in materials	35.29% 6	29.41% 5	11.76% 2	23.53% 4	17	1.69
Covid19	43.75% 7	31.25% 5	12.50% 2	12.50% 2	16	1.64

Q11 Please rank the following actions which the Council could undertake to have the greatest impact on increasing housing land supply, no impact (1) to greatest impact (3)?

	1 - NO IMPACT	2 - MINOR IMPACT	3 - GREATEST IMPACT	DON'T KNOW/NOT SURE	TOTAL	WEIGHTED AVERAGE
Adopt an up-to-date development plan	6.25% 1	31.25% 5	56.25% 9	6.25% 1	16	2.53
Undertake a regular review of the effectiveness of current housing policy	5.88% 1	47.06% 8	47.06% 8	0.00% 0	17	2.41
Update the Council's land register of available housing sites (i.e. 'call for sites')	6.25% 1	50.00% 8	43.75% 7	0.00% 0	16	2.38
Promote opportunities for new housing through Council led initiatives and regeneration strategies (i.e. town centre regeneration plan)	11.76% 2	35.29% 6	41.18% 7	11.76% 2	17	2.33
Introduce a 'small sites' policy for edge of settlement proposals of exceptional design	5.88% 1	35.29% 6	58.82% 10	0.00% 0	17	2.53
Improve current monitoring of housing data to be more reactive to emerging issues	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0	0.00
Engage with landowners/site owners where applications have been granted for a time, and not yet commenced	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0	0.00

Q12 Please rank the following actions which the Council could undertake to have the greatest impact on increasing housing delivery through the planning process, least impact (1) to greatest impact (3)?

	1 - NO IMPACT	2 - MINOR IMPACT	3 - GREATEST IMPACT	DON'T KNOW/NOT SURE	TOTAL	WEIGHTED AVERAGE
Review Community Infrastructure Levy (CIL)	13.33% 2	33.33% 5	46.67% 7	6.67% 1	15	2.36
Update or prepare new supplementary planning guidance to provide greater certainty to developers on matters such as parking, drainage; and broadband	11.76% 2	52.94% 9	35.29% 6	0.00% 0	17	2.24
Encourage use of pre-application services and Planning Performance Agreements	23.53% 4	41.18% 7	35.29% 6	0.00% 0	17	2.12
Review internal planning resource and processes (i.e. validation to decision)	0.00% 0	17.65% 3	70.59% 12	11.76% 2	17	2.80
Review the process for using pre-commencement conditions and discharging planning conditions	0.00% 0	58.82% 10	35.29% 6	5.88% 1	17	2.38
Review the process for finalising legal agreements	5.88% 1	58.82% 10	29.41% 5	5.88% 1	17	2.25
Review Planning Committee processes	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0	0.00
Prioritise planning application of 10 or more houses	23.53% 4	29.41% 5	35.29% 6	11.76% 2	17	2.13

Q13 Please rank the following actions which the Council could undertake to have the greatest impact on increasing housing delivery, no impact (1) to greatest impact (3)?

	1 - NO IMPACT	2 - MINOR IMPACT	3 - GREATEST IMPACT	DON'T KNOW/NOT SURE	TOTAL	WEIGHTED AVERAGE
Council to help stimulate greater diversity of housing type and tenure (i.e. Council housing / social housing)	17.65% 3	47.06% 8	29.41% 5	5.88% 1	17	2.13
Council proactively responding to bid funding opportunities as they arise to support the delivery of new infrastructure	11.76% 2	41.18% 7	35.29% 6	11.76% 2	17	2.27
Council to raise infrastructure delays with relevant providers	5.88% 1	47.06% 8	41.18% 7	5.88% 1	17	2.38
Review and update the brownfield register to grant permission in principle	5.88% 1	52.94% 9	35.29% 6	5.88% 1	17	2.31
Promote greater links with colleges / vocational courses for housebuilders	52.94% 9	29.41% 5	11.76% 2	5.88% 1	17	1.56
Set up a developers delivery forum to tackle delivery issues	11.76% 2	35.29% 6	52.94% 9	0.00% 0	17	2.41